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INFO RUCNMEM/EU MEMBER STATES PRIORITY
RUCNIRA/IRAN COLLECTIVE PRIORITY
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RUEHAH/AMEMBASSY ASHGABAT PRIORITY 0172
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1587
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RUEHBS/AMEMBASSY BRUSSELS PRIORITY 6539
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RUEHOT/AMEMBASSY OTTAWA PRIORITY 2180
RUEHZP/AMEMBASSY PANAMA PRIORITY 0190
RUEHSA/AMEMBASSY PRETORIA PRIORITY 1454
RUEHUL/AMEMBASSY SEOUL PRIORITY 1453
RUEHKO/AMEMBASSY TOKYO PRIORITY 2585
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0402
RUEHHK/AMCONSUL HONG KONG PRIORITY 0229
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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 004353

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TAGS: [PREL](#) [PARM](#) [KNNP](#) [EFIN](#) [FR](#) [IR](#)

SUBJECT: FRENCH RESPONSE TO DESIGNATION OF IRANIAN
ENTITITIES AND INDIVIDUALS UNDER U.S. EXECUTIVE ORDERS

REF: STATE 148605

Classified By: Political Minister Counselor Josiah Rosenblatt for reasons 1.4. (b), (d).

¶1. (C) We delivered the non-paper and fact sheet October 25 to French MFA DAS-equivalent for Iran, Iraq, and the Gulf states Franck Gellet and Iran desk officer Arnaud Pescheux. Gellet, who did not seem aware of the announcement of the designations in Washington earlier in the day, rapidly read through the main points in the non-paper and indicated that he and others in the GOF would have to examine it and the accompanying fact sheet closely before rendering a definitive comment. He asked for clarification as to the legal nature of the designations, i.e., how they complemented existing UNSCRs, whether they had extra-territorial applicability or were domestically focused, and on what U.S. legal authority they had been made. We responded that the designations stemmed in large measure from UNSCRs already adopted and were applicable to transactions involving U.S. entities/individuals and assets held in the U.S. belonging to named Iranian entities and individuals. As for the legal authority, we noted the lack of information in material accompanying the demarche but stated that the relevant executive orders had been issued pursuant to the constitutional authority of the executive branch. Gellet seemed satisfied with those responses.

¶2. (C) We emphasized to Gellet that the message was intended for our partners in the international effort to deal with provocative activities, particularly in the nuclear domain. The was especially true for France and other members of the EU, who we hoped would adopt similar measures. Gellet replied by first recalling longstanding French policy on preferring not to adopt unilateral sanctions. He acknowledged, however, that in the case of Iran, this policy had evolved considerably to the point that France was the lead exponent of additional EU sanctions against Iran over its defiance of the international community with respect to its nuclear program.

¶3. (C) In that context, Gellet recounted anew and in slightly more detail France's difficulties rallying key EU support for further and more extensive sanctions against Iran. He named Austria, Italy, and (to a lesser extent) Germany as the major obstacles to a unified and tougher EU stance on additional sanctions against Iran. Many of the other EU members were not as opposed or were open to persuasion, according to Gellet, but they were watching closely the positions of these three. Looking ahead to the inevitable debate at the UNSC over further sanctions, he stated that France will first of all want to achieve some measure of agreement with the three holdouts and Spain before getting EU-wide agreement (which Gellet thought would be considerably easier if Italy, Spain, Austria, and Germany were on board).

¶4. (SBU) We also passed the information in reftel to the office of international financial affairs at the Ministry of Finance on October 25. They indicated they had earlier in the day received an e-mail from U.S. Treasury informing them of the announcement.

¶5. (C) Comment: Gellet, despite his initially very legalistic questions, was receptive if noncommittal to the demarche. The GOF will need to digest this news, which came as surprise. Gellet was curious how the designations prefigured our strategy for further sanctions at the UNSC or were the simple extension of existing ones. We suspect he and others in the MFA may weigh the likely impact of this announcement on our efforts to impose additional UNSC sanctions as the situation warrants. Gellet noted (as we

PARIS 00004353 002 OF 002

will report septel) that France's relations with Iran have unraveled to the point that very little is happening bilaterally these days. He also repeated what his boss, NEA A/S-equivalent Jean Felix-Paganon, had previously told us in terms of growing French concerns about the ability of Gulf states like the UAE (notably Dubai) and Oman to undermine sanctions by continuing their own trade with Iran.

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Stapleton